

**Central Colorado Regional Airport
Board Meeting Minutes
March 1, 2010**

- 1. The meeting was called to order at 6:35 pm by Board Member, Bob Freed.**
- 2. Attendees: Board Members Cal Anderson, Bob Freed, Cherie Haarberg and Mic Heynekamp; Sue Boyd, Town Administrator; Bob Johnson, Airport Operations Specialist; and Lee Lechner**
- 3. Agenda was approved by the Committee**
- 4. Airport Board Meeting Minutes from February 1, 2010 were approved.**
- 5. Public Comments: Lee Lechner commented on decision making for current airport tenants and future tenants regarding snow plowing and maintenance. There does not appear to be any regulations regarding how close to the hangars the snow may be plowed. Also, Lee sent an email to Mal Sillars wherein the response was that the airport could not maintain areas of the airport that were not owned by the Town and that this action could affect grant assurances. Lee thought that the entire airport belonged to the Town. He would like an explanation of how grant assurances could be affected by maintenance/snow plowing and whether the FAA is actually involved in these decisions.**
- 6. Response to Public Comments: Inasmuch as Mal Sillars was not present, Bob Freed stated that he is not personally familiar with these procedures. Sue Boyd responded that she had seen Lee's email and Mal's response. Per Sue: the Town is actively reviewing the ground leases and Hangar Development Packet. The one ground lease I've looked at has no reference to snow plowing, but Bob Johnson pointed out that another lease does refer to snow plowing. So the Town is in the process of trying to sort through all of the legal issues and review all ground leases made by Ron Southard. In the meantime, the two things we determined is that the ground lease pertains to the ground the hangars occupy only and not to the taxi-way grounds in-between the hangars. Since December of last year or the first of this year, the protocol has been and will remain until further notice, that**

the airport will continue to plow that area until we can figure out what the situation is. Lee responded that he would like to know if the FAA has anything to do with where the Town plows snow. Sue responded that the leases will determine where snow is plowed; the FAA is not specifically related to this issue. Lee asked where the grant assurances come into play here per Mal's email. Bob Johnson stated the grant assurances expressly states if the lease makes that private property, which it is if the tenant takes control of it. Grant assurances state that you cannot do something unless it is for the public benefit. If it is just for the person that owns the hangar only, it is in violation of the grant assurances. Sue advised Bob that there has not been a legal interpretation of this, so she feels we need to proceed cautiously. The position of the airport at this time is that they will continue to plow between those hangars until we have a more definitive answer to this question. She believes there are some regulations dealing with using FAA money to plow private areas, but the issue of what is private and what is Town property needs to be determined. Lee stated that it does not appear that the Airport Board has contact with the FAA (Lee Shafer) because ultimately it affects the leases and rules and regulations of the airport. If hangar owners are required to plow in front of their hangars, this creates a huge hardship for the hangar owners. If there is no FAA rule regarding snow plowing/maintenance, then hangar owners need to know this. Every taxi way is available to any aircraft that comes to the field. It appears that we don't know what the rules are and we need to have a direct communication and answer on this. Bob Freed stated that the Town is working very hard to determine who actually owns the taxi ways and who is responsible for same. Per Bob and Sue, there is no final answer to Lee's question at this time. Sue stated that the Town is in touch with Chris Shafer regarding this issue.

7. Financial Report: No report due to Christine DeChristopher being out of town.

8/9. Airport Activities Report & Comments by Airport Manager/Town Administrator: Sue Boyd discussed updates to the Airport Management Report spread sheet and reiterated that changes

and updates are in bold print. This report is attached to these minutes for your review. Additional comments/highlights from Sue regarding this report are: Terminal Renovation - the Town Trustees approved additional funds from the Town reserves for the firewall construction between the terminal and hangar as required by the Chaffee County Building Department. The Contractor is doing his best to pare down costs and work in the firewall issues as economically as possible. AWOS Maintenance: The Trustees awarded the contract to AVSPEC. AVSPEC is to work with the airport to make sure all FAA requirements are met. AVSPEC costs are a little bit higher than the previous contractor, but they will automatically update data to NADIN and will install the web cameras, which will provide additional benefits in marketing, etc. Ground Leases - Town Attorney is currently reviewing the ground leases and there may be some fine tuning needed yet. Town has contacted a list of all parties who had expressed interest in building hangars and some asked to receive a copy of the hangar development packet which we will get out to them. Only one or two appear ready to build at this time. Codification of Rules & Regulations – Bob Freed asked if the draft is what was prepared by the Airport Board last year. Sue stated that the Town Attorney will be extensively involved in this process. What we do have are the minimum standards and rules/regulations in the existing documents. By codifying them, they will be turned into an ordinance with penalty language added to that. None of this has been drafted at this point. Hangar Management Agreements – After extensive research, it is determined that the taxi way is not part of the ground leases and is the responsibility of the Town. There has been extensive discussion regarding how close the snow is to be plowed next to the hangars, which may have been a management directive from the previous Town Administrator due to damage done to a hangar during plowing. Sue recommended that we start over with a new protocol; however, we must proceed cautiously due to the previous law suit. Written protocol definitely is needed. However, the ground leases will be the definitive document and she does not believe the protocol can be written until the ground leases are completed.

- Sue handed out the Airport Commission meeting notes of February 10 and 17 and a financial presentation prepared by Christine DeChristopher showing Tier 1 (current) and Tier 2 (future). In the first meeting, the commission determined that the focus must remain on general aviation at this time; commercial aviation could be a deterrent due to security measures, takeoff/landing issues, etc. The second commission meeting targeted marketing the airport, which includes marketing the Town of BV as well as the airport. This is one of the most meaningful conversations she has heard about promoting the airport and the Town. Other things to keep in mind are an understanding of actual demand of the airport and community perception of the airport. The commission is tending towards an FBO; however, how do you share the risk with an FBO? At this point the conversation regarding an FBO is about managing the services and not the ground leases. An FBO may be able to operate more efficiently and relieve the Town financially. The entire operation needs to compliment the community. For the immediate time, it has been determined that the Town needs to stop the bleeding and the first step is to reduce the staffing level which is the most costly expense of the airport. It is not clear how soon we can move towards an FBO. This is a Trustees decision and the commission is making their recommendations to the Trustees on March 23rd. Cherie Haarberg asked Sue if the Airport Board has any say in making recommendations or if this is the total responsibility of the airport commission? Sue is going to try to keep us informed of what the commission is discussing. This Airport Board is still the advisory board in an ongoing basis in terms of what goes on. She feels it would be useful for the Airport Board to engage. You have to accept that they have charged the commission for the short time to make the framing of the operating decisions. We always need to remember that it is the Trustees that make the final decisions.

-Sue provided a spreadsheet showing airport operations in 2007, 2008 and 2009, and various options of operating the airport; i.e., Town, FBO, combinations, etc. The most likely option would be for an FBO to lease the fuel farm. Staffing changes alone begins

to reduce the airport expenses. However, the Town must continue to be willing to subsidize the airport.

- Bob Freed questioned the winter hour operations and staffing. Sue stated these figures are pro forma at this time and must be taken with a grain of salt. If the airport goes to an FBO, the hours should change significantly at that point. Reduced staff will impact revenues and fuel sales, but how much is not known. Bob Freed feels the fuel sales on the spread sheet should be reduced if staffing is reduced. Sue stated it is a struggle to find the right answers. The current revenues are not enough to justify the current staffing levels. How do we get from here to where we need to be in order to be self sufficient? How are the Trustees going to be able to commit for the Town to subsidize the operation? This is not an easy question to answer. Mic Heynekamp asked how much of the Town overhead and operating costs are being billed to the airport? A considerable amount of time is needed to operating the airport, checking into grants, etc. Sue stated that she and Christine have been spending a lot of time on airport issues and the airport is not being billed for as much time as is being spent right now. Sue advised that Christine would be the best person to ask regarding this issue. The Town needs to assure that an FBO can be self-sustainable and that the Town can maintain its capital investment. Mic Heynekamp voiced concern that someone needs to be in charge of accessing grants and to oversee the FBO activities. Sue stated the Town will oversee the ground leases and the FBO. Cherie Haarberg asked if the commission feels that it is feasible that we can attract an FBO in these economic times? Sue feels that the Town must 'do it right' this time and not rush into these decisions so fast that an FBO is not inclined to survive this time. However, we must cut costs now so that we can move forward. Bob Freed stated he is concerned about finding a private FBO; rather, he envisions a chain operator that may be willing to come to BV. Sue stated that the Town needs to make it attractive for a chain operated FBO to come in here or else we need to figure out how to make it possible for a smaller operator to come in. Bob Freed stated he does not see a private or small group operator being able to survive. Sue

agreed that not only the economy is suffering right now, but aviation is suffering greatly. FBO's are failing country-wide at this time and here we are trying to attract one. Sue stated that she is still optimistic that we can move forward with the airport and the Airport Board also agreed that they remain optimistic. There is a lot of work to be done in this area.

- Bob Johnson stated that while aircraft numbers are down, fuel sales are up this year compared to last year and we have had three testing programs, which has contributed to the town economy. We also have positive responses from Boeing and the US Army about coming back this summer, which will involve 30 to 40 people. Mic Heynekamp asked if we can track where the aircraft are headed and Bob Johnson replied that when they come in and sign the register we can determine their destination. We are pushing very hard to become an alternate air field for Aspen because of the increased rates at Aspen. Mic asked if there was any way to track economic benefits for BV as well as other towns in our area. We need to attempt to provide these figures to the Town so that people will understand the economic benefit of our airport to the Town.

- Lee Lechner stated that an airport benefits a town economically. A town with an airport receives many economic benefits compared to a town without an airport, due to visitors needing lodging, restaurants, grocery stores, as well as recreational businesses. Those who decide to live here purchase real estate, hire contractors and ultimately add to the tax base that allows us to have good schools, etc. If the people of the town can be made aware of these benefits, perhaps there will be more support of spending Town money at the airport. People in town need to realize that even though they may never come to the airport, the airport is benefiting the town. If we could define this and provide it to the Trustees, it would give them more reason to approve subsidy for the airport.

- Cal Anderson stated that a few years ago he had prepared an article for the paper regarding the economic benefit of the airport and the Trustees rejected his article. Sue stated it is difficult to determine the correct multiplier showing every dollar spent at the airport expanding to dollars spent in town and eventually for

tax revenues. She said the principle is good, but a complex formula can be a deterrent in that town people could think we are just blowing smoke. They see the Town problems as being street repairs, sidewalks, drainage problems, etc. They are asking why we are spending money on the airport.

-Mic Heynekamp stated the problem did not start overnight and cannot be reasonably expected to go away overnight. And he has seen a very substantial decline in the number of general aviation aircraft in his weekly travels.

-Sue believes if we can get enough energy harnessed from folks who care about the airport into something productive, we will succeed. A town this size cannot afford to support the current liability of the airport.

-Bob Johnson stated that approximately 85% of our customers are single point fueling and require assistance in fueling. If we cut the hours and payroll, we will be losing fueling revenue. Military aircraft personnel are not allowed to fuel their aircraft so we will lose those customers if no one is at the airport to service them. Lee felt that many aircraft could be fueled over-the-wing. Bob Johnson suggested that we could consider on-call service and have a self service price and a full service price. He stated that many corporate jet pilots do not carry actual credits cards; they only give you the card number which must be run by hand. Military aircraft cards do not work in our fueling system, so these sales must be run by hand also. If we had more advertising capability, we could access many internet web sites and advertise our prices. Bob also advised that he does not believe the FAA will ever grant BV a commercial rating because they will not allow take-off's to the north and we would also need a tower for air traffic control. Charter service is a possibility. Our niche could be for testing programs due to the length of our runway and ample space. Testing programs do not interfere with general aviation activity and when we get our facility improved, we should be a prime destination. Bob Freed stated that he would like to see our airport become a prime, world class testing center, which will require marketing when we have our facility completed. Keep marketing and reminding target testing groups that we are available. Bob Johnson is keeping weekly contact

with most groups giving updates on building remodeling project, AWOS, etc. We have had very little to offer testing groups in the past, but our future capabilities should prove beneficial. Sue reminded that we need to build our business plan regarding testing realistically.

10. Old Business – several items were covered in the spread sheet provided by Sue earlier. The business plan is being worked on by the commission. Cherie Haarberg asked where the ground leases stood and if the Airport Board needed to provide anything. Sue stated that the original agenda for the commission was to be the business plan; however, the issue has now expanded, including ground leases and hangar development since these go hand in hand. Cherie asked if the ground lease packages were ready to go and does the Airport Board need to make any final recommendations to the Trustees. Sue said the package is basically ready to go with a little fine tuning needed, including what services come along with the leases and why they will be the responsibility of the airport. Also, what are the obligations of the tenants. It will be the Trustees responsibility. Cherie also asked if the Airport Board needs to do anything regarding recommendations on the CIP. Do we need to formalize requests? Sue said the Airport Board is to give guidance and the staff has the responsibility to prepare the CIP. The Airport Board should determine what items have priority and recommend these to the staff between now and May. The Airport Board is for advice only as far as recommendations made to the Trustees. Sue stated that she is not absolutely sure on either of Cherie's questions. If we are going to engage in an FBO, we need to determine what equipment would be useful for an FBO. The use of tugs would be a priority in Sue's opinion. For the airport or FBO to perform 100% of the time, she feels that we need to have an adequate tug. She has not heard if we will receive a grant for a new snow plow yet. Paving and airport improvements are also another concern. I feel that this board needs to determine priorities for the CIP.

11. New Business – advertising in airport. Per Bob Johnson, it is a work in progress wherein local businesses will be able to

advertise at the airport. He showed a sample of a framed poster that can be displayed in the airport when the building is completed. We would need to come up with a price structure to recommend to the Trustees. All frames would be the same size and it appears that we may be able to post approximately 30 without crowding them. This is the same size as is used at Telluride, Monarch, etc. Bob states that possible charges could range from \$35 to \$100 a month, depending on the season. We would need to have guidelines as to what the posters include. For example, we most likely would not allow just a food menu without other advertising. The Board felt this is a good way to promote the town businesses and provide some revenue to the airport.

12. Meeting was adjourned at 9:00 pm.